

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

PRESIDING OFFICER'S RULING CONCERNING
IMPLEMENTATION OF PROPOSED PERIODICALS CONTAINER CHARGE

(Issued August 3, 2006)

To fulfill its obligations under law in terms of ensuring that the break-even requirement and other conditions are met, the Commission must know how the Postal Service estimates revenues for each class of mail, as well as how the Service plans to assess rates. Review of material provided to date in this case indicates that the Postal Service has not fully and adequately explained these matters as they pertain to Outside County Periodicals. Instead, Postal Service witness Tang indicates that the Service plans to assess an 85¢ charge, applicable to “containers,” not only on sacks and pallets containing Outside County Periodicals, but also on other containers and on uncontainerized bundles of Outside County Periodicals. She states that the Service will publish a notice in the *Federal Register* addressing how the proposed charge will be assessed on uncontainerized mail, but provides no further details and no indication of a publication date.¹ However, she notes, in response to a McGraw-Hill interrogatory, that one possible alternative for bundles entered at a destination delivery unit (DDU) is assessing a container charge for each 5-digit ZIP Code or 5-digit scheme serviced by the DDU.²

¹ See Response of Postal Service Witness Tang to POIR No. 8, Question 1(a) and (b), filed July 28, 2006.

² See Response of Postal Service Witness Tang to MH/USPS-T35-16.

The Commission appreciates the fact that the amount of Outside County Periodicals mail that is not presented in a sack or on a pallet is comparatively small. However, in light of witness Tang's insistence that the 85¢ container charge is an integral part of the revised structure it is proposing, the inchoate nature of the Service's filing in this area is troubling, and poses difficulties given the Commission's responsibilities.

Witness Tang is scheduled to appear for cross-examination on August 10, 2006. Given the gap in the record on the Service's proposed container charge, witness Tang is directed to be prepared, prior to the commencement of cross-examination, to address in detail the Service's revenue estimation and implementation plan as it pertains to the proposed container charge for Outside County Periodicals.

RULING

Postal Service witness Tang is directed to be prepared to address revenue estimation and implementation plans related to the Service's proposed container charge for Outside County Periodicals at the outset of her appearance in Docket No. R2006-1 on August 10, 2006.

George Omas
Presiding Officer